

**HAMPTON MUNICIPAL BUDGET COMMITTEE
MINUTES
BUDGET WORK SESSION**

Date: Thursday, December 15, 2015

Time: 7 p.m.

Place: Selectmen's Meeting Room

Attendance

Eileen Latimer, Chairman

Brian Lapham, Vice Chairman

Jerry Znoj, School Board Representative SAU 90

Nicholas Bridle

Scott Blair

Michael Pierce

Sunny Kravitz

Michael Plouffe

Sandra Nickerson

Stephen LaBranche

Absent (excused)

Phil Bean, Selectman Representative

Robert Ladd, Hampton Village Precinct Representative

David Wood, State Representative

James O'Loughlin

Timothy "Citizen" Jones

1) Call to Order at 7:00 p.m.

2) Pledge of Allegiance

3) Introduction of members

4) Correspondence

5) Work Session 9

Presentation & Questions of following 2016 requested Budget:

Finance Director, Ginny Bridle-Russell, Peppa Ring, Frank Deluca, Andrea Shephard; Building Administrators; David O'Connor, and Lois Costa. Also joining us is Tim Lannon, Principal at Centre and Sarah Stetson, Director for Special Services; also Jay Ring.

A. SAU 90 Budget – Kathleen Murphy, Superintendent & Nathan Lunney, SAU 90 Finance Director

Ms. Murphy said we develop a budget based on what the board has determined what they want to do in the district for that year and the following year. The goals and objectives for 2015-16 are as follows:

- Curriculum Assessment and Instruction
- Human Capital Resources
- Communication
- Governance
- Finance and Facility
- Hampton Academy

Mr. Lunney said the current operating budget today is \$20,084,490 on the ballot:

• Current FY 15-16 Operating Budget	\$20,084,490
• Long-Term Maintenance	300,000
• OPM/Arch & Eng – HA	86,250
• Child Benefit – Sacred Heart	<u>46,750</u>
FY 15-16 Total Appropriations	\$20,517,490

Proposed FY 16-17 Budget

• Current FY 15-16 Operating	\$20,084,490
• Default Increase (0.86% increase)	<u>172,190</u>
FY 16-17 Default Budget	\$20,256,680
• Requested Decrease (0.36% decrease)	<u>(72,360)</u>
FY 16-17 Proposed Budget	\$20,184,320

(Warrant Article #2)

Net proposed increase of \$99,830

Proposed 0.5% increase from 15-16

Tax impact = \$0.037 per thousand

Teachers (SEA) – Default

Budget “actualizes” for current employees \$ (140,621)
(No salary increases)

Paraprofessionals (SESPA) – Default 48,342
(Increase in salary scale 1.75%)

Benefits Costs – Default

- Health Insurance increasing \$ 141,187
(Budgeting for average increase 10.5%)

Savings in LTD and Unemployment

- New Life & LTD vendor & rates saving (7,322)
- Unemployment insurance down (10,347)
- All other benefit costs down (19,403)

Total Benefits Costs \$ 104,115

Special Education – Default

- Increase in needs of identified population
- Budget growing for out-of-district placements
Tuition account up \$99,850
- Increase in contracted Professional Services
Costs up \$52,586

Total Special Education **\$ 152,436**

All Other - Default

- Energy Commodities/Utilities **\$ (67,660)**
- Student Transportation 3% increase **6,994**
- Property Liability up \$4,107
- Debt Service up \$5,887
- Other minor changes total down (\$3,000)

Summary Default Budget Changes

- Teachers **\$ (140,621)**
- Paraprofessionals **48,342**
- Health Ins./Benefits **104,115**
- Special Ed Costs **152,436**
- Energy/Utilities **(67,660)**
- Transportation **68,584**
- All other changes **6,994**
- Total – 0.86% Increase** **\$ 172,190**

Mr. Lunney said the proposed budget is lower:

Teacher Positions – Requested

- Proposed reduction of 3 teaching positions **\$ (151,256)**
- Proposed addition of 3 part-time positions **91,434**
- Proposed additional staffing resources **90,000**
- Proposed reduction for retirements **(120,759)**

Support & Admin – Requested

- Requested salary/wage increase 1.5%
- Accounts for \$41,946 of increase
- Increased merit/bonus pool by \$10,000

Total **\$ 51,946**

All Other – Requested

- FICA, NHRS, etc. **\$ (52,161)**
- Misc. Supplies reduced (1,564)
- Grounds & Vehicle costs \$14,000
- Field trip bussing \$6,000

Total \$ **18,436**

Review Proposed Budget Changes

- Teaching Positions \$ (59,822)
- Other Teaching changes (30,759)
- Admin. & Support 51,946
- FICA, NHRS, etc. (52,161)
- All Other Requests 18,436

Total – 0.36% Decrease \$ **(72,360)**

Mr. Lunney said not much in the way of news in revenues, but there is an uptake in our share of the health trust/LGC returns.

Ms. Nickerson asked what the percentage on the 4 year deal was for the teachers.

Mr. Lunney said the scale itself is going to move ½%, every step in the scale right now is 3.75; the scale itself will move .5, so that those that are not yet at the top will see 4 1/4 and those at the top are advancing 1.75 each year.

Chairman Latimer said she liked the merit bonus program and how it is being used.

Mr. Lapham asked under office equipment rental if there is any way you can purchase the equipment.

Mr. Lunney said this is for software that allows us to take originals to scan and archive documents.

Mr. Bridle said back in June the IT people came to Hampton Academy, and what a wonderful staff you have in that department.

Mr. Pierce said excellent report.

B. SAU 90 Final Review

Chairman Latimer said this year we are going through the review, this committee will be doing a final review in January, so there will be no vote tonight; excellent budget and excellent review.

C. SAU 90 Warrant Articles

School District Warrant	<u>Value</u>	<u>Tax</u>
• Article 1 – Hampton Academy	\$ 460,550	0.170
• Article 2 – Operating Budget	20,184,320	0.037
• Article 3 – Teachers Agreement	239,021	0.088
• Article 4 – Long Term Maintenance	300,000	0.00
• Article 5 – Child Benefit Savings - Sacred Heart	45,600	0.00

Mr. Lunney said there were 4 pages behind the budget tonight: one is a cost sheet related to a building project, the second is a punch line in terms of affordability and tax impact and then the larger landscape sheets are a couple of graphics.

Chairman Latimer said we have not talked about warrant articles from department to department, this is a big one and we do not have the opportunity to have the schools with us often, so we thought we would give a little heads up tonight, as they have the green light through their board. This is one of a two part series.

Ms. Murphy said last night was the school board meeting and the vote was 5-0 to support the project and move it forward. Hampton Academy sits on a 5 acre lot and, so we have to keep that in mind. There was a very clear emphasis to maintain the current look of the building, the brick, all of the pieces of that building that have historical importance. We are proposing an auditorium, be a new student entrance and a gymnasium. There is a separate student entrance, and there would be a loop around for busses and parent drop-off/pick-up.

Ms. Murphy said the lower level of the building is a cafeteria and we need to expand the kitchen. There is an area where the students can broadcast live for Channel 13 and the gymnasium, and we added a community room where seniors can also go. This is also a community facility. There is also a section for storage. Our gyms are not safe nor are they legal in size to play basketball, and we rent space so the children can play basketball.

Ms. Murphy said the first floor is office space, principal's office, guidance counselor, conference room, social worker, school psychologist; the auditorium, band, chorus and the stage; math, science, English and social studies, plus a science lab.

Ms. Murphy said there is a discussion to keep the 3rd graders at Centre and the 5th graders at Marston while this is under construction. Currently there is 84,000 square feet and we are looking to the final number to be around 116,000 square feet. She said that 75% of the current furniture, fixtures and equipment will still be used.

Mr. Lunney said the total budget proposed which the school board approved unanimously last night is \$24,945,000.

- Hard Costs is for demolition and renovation, etc. is \$21,895,000.
- Soft costs are for technology, furniture, etc. for \$1,950,000.
- The owner's project contingency is \$1,100,000.

Mr. Lunney said year number one the warrant article will say bond \$24,945,000; raise and appropriate \$460,000 which is the first year interest only payment on the bonding, which will cost 0.17 per thousand, which as the average home costs \$330,000, it will cost on average an extra \$55 per year; which is an extra \$4.60 per month. If this passes the tax impact for the second year is on average \$106 per year extra; just under \$9 per month. It will be a total of \$13 per month for the length of the bond.

Ms. Murphy said one of the considerations is a bond rate of 3.15%. The second reason we chose this time to do it is both Marston's bond is paid off in 2016 and Center's bond will be paid off 2 years later. Plus there is not any large project in town going on.

Mr. LaBranche said that Center School and Marston's renovations are complete; the Town made improvements at Winnacunnet, so the Academy will be the last improvement to our schools; after this our schools would be completed for the quite a few years into the future.

Ms. Nickerson asked how long to complete the entire project.

Mr. Lunney said you were talking about a 24-26 month cycle; they would like to break ground next summer.

Mr. Lapham asked if there was Federal or State money available.

Ms. Murphy said there is no Federal money available for infrastructure. The State money has a moratorium on it and it is very frustrating. I feel very strongly that the community of Hampton pays a lot of money in room and meals taxes, and we also have a vibrant seashore that brings in a lot of funds to the State and yet in terms of the Hampton School District for adequacy money, we get zero. We are applying for money with the State anyway, and we are filing an application; and our legislator is looking to file a bill and we want to be first in line.

Chairman Latimer said the second part of this meeting was going to review MIS, however, Fred and Kristi are not with us and we are going to move that forward one more time. Tonight is the last meeting for this year; we have meetings scheduled for January 5, 7 and 8 and would like to start them at 6 p.m.

7) Review of Minutes

8) Adjournment

Stephen LaBranche MOTIONED to adjourn SECONDED by Scott Blair at 9:46 p.m.

10 Yes, 0 No, 0 Abstentions

Respectfully,

Eileen Latimer, Chair
T. Y., Secretary